

# 2018-19 Proposed Budget

City Council  
May 15, 2018





# 5 Year Revenue & Expenditure Projections

	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
<b><u>Revenue</u></b>					
Property Taxes	5,669,440	5,839,520	6,014,710	6,195,150	6,381,000
Sales Tax & Measure I	15,410,720	15,612,090	15,883,490	16,153,560	16,420,840
Utility Users Tax	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000
Hotel/Motel Tax	1,418,000	1,446,360	1,475,290	1,504,790	1,534,890
Franchise Fees	1,172,060	1,195,500	1,219,410	1,243,800	1,268,680
Motor Vehicle	5,581,300	5,692,930	5,806,780	5,922,920	6,041,380
Others	6,365,860	6,493,180	6,623,040	6,755,500	6,890,610
<b>Total Revenue</b>	<b><u>41,417,380</u></b>	<b><u>42,079,680</u></b>	<b><u>42,828,720</u></b>	<b><u>43,575,720</u></b>	<b><u>44,337,400</u></b>
<b><u>Expenditures</u></b>					
Salary & Benefits	27,985,300	28,933,580	29,607,300	30,335,780	31,052,750
Maintenance & Operations	8,704,820	8,992,630	9,185,230	9,382,340	9,584,070
Debt Service/Debt Transfer	2,339,410	2,340,990	2,340,990	2,340,990	2,281,090
Oversize Payment	1,124,550	250,000	250,000	250,000	250,000
Vehicle Replacement	140,800	1,000,000	1,000,000	1,000,000	1,000,000
Operating Transfer for Projects	250,000	550,000	550,000	550,000	550,000
Operating Transfer	2,206,010	2,213,110	2,220,350	2,227,730	2,235,260
<b>Total Expenditures</b>	<b><u>42,750,890</u></b>	<b><u>44,280,310</u></b>	<b><u>45,153,870</u></b>	<b><u>46,086,840</u></b>	<b><u>46,953,170</u></b>
<b>Net Revenue/(Expenditures)</b>	<b><u>(1,333,510)</u></b>	<b><u>(2,200,730)</u></b>	<b><u>(2,331,150)</u></b>	<b><u>(2,511,120)</u></b>	<b><u>(2,615,770)</u></b>



# 5 Year Revenue & Expenditure Projections

## Assumptions

- Property Taxes – 3% increase each year
- Sales Tax – based on information from MuniServices
- Utility Users Tax (UUT) – remain the same due to Solar Energy
- Hotel/Motel, Franchise Tax, Motor Vehicle & Others – overall 2% increase
- Salary & Benefit – increase PERS, Workers Comp Insurance & Health Insurance; all others remain the same
- \$450,000 Salary savings has been budgeted for all years
- Maintenance & Operations – 1.50% increase in 2019/20 and a 2% increase in 2020/21 through 2022/23
- Health Insurance – 5% increase each year
- Liability Insurance – 5% increase each year



# 5 Year Revenue & Expenditure Projections

## Assumptions Continued

- Workers Comp Insurance – 10% increase each for a retrospect payment of \$1,600,000 in 4 years
- PERS flat allocation per CalPERS projection based on reduced discount rate – taken into account a lump sum payment with a 3% savings – future years used the 30 year amortization rate schedule; in fiscal year 2021-22, the 20 year amortization rate will be implemented and will increase the amount the City will be required to pay
- Chamber & Museum Contribution – remain the same each year
- Senior Services – increase 2% for each future year
- Administrative Fees – remain the same
- 2018/19 is last year for oversize payment



# 5 Year Revenue & Expenditure Projections

## Assumptions Continued

- Contribution to Development Services - \$500,000 each year and Property Management in the future ??? – right now -0-
- Reduced transfer to General Fund CIP in fiscal year 2018/19 by \$200,000



# General Fund Fiscal Year 2018-19

General Fund 18-19 Expenditure in Excess of Revenue	(1,333,510)
Additional Amount for Vehicles	(509,200)
Additional Reduction of Transfer to Other General Fund Project Funds	150,000 *
Reduction of Operating Transfer to Development Services	100,000
Additional Revenue for Property Taxes	<u>60,000</u>
Estimate Deficit	<u><u>(1,532,710)</u></u>

\*This will leave \$100,000 for CIP Projects and ADA



# Estimated Fund Balance

	2018-2019	2019-2020	2020-2021	2021-2022*	2022-2023
Estimated Beginning Fund Balance, July 1, 20XX	16,158,580	15,924,900	13,724,170	11,393,020	8,881,900
Revenue	41,417,380	42,079,580	42,822,720	43,575,720	44,337,400
Expenditure	42,750,890	44,280,310	45,153,870	46,086,840	46,953,170
Oversize Principal	1,099,830				
Estimated Ending Fund Balance, June, 30, 20XX	15,924,900	13,724,170	11,393,020	8,881,900	6,266,130
	37.25%	30.99%	25.23%	19.27%	13.35%
	4.47 Months	3.50 Months	2.89 Months	2.17 Months	1.47 Months
25% Reserve	10,687,723	11,070,078	11,288,468	11,521,710	11,738,293

\*Fiscal Year 2021-2022 CalPERS with implement the 20 year amortization. This projection is using the 30 year amortization.



# General Fund

## Potential Savings Fiscal Year 2018-19

### Recreation:

Afterschool Sports Program - Soccer & Basketball - eliminate approx 30 part-time/seasonal staff	10,000
Aquatics - eliminate approximately 30 part-time/seasonal staff	30,000
Reduce/eliminate BEST Program - 50 part-time/seasonal staff (savings depends on extent of program reduction)	100,000

### Senior Services:

Reduction/eliminate Senior Center	260,000
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### Parks:

Cal Ripkin/NSA Softball utility bill contribution	25,000
Downtown Parking	110,000

### Library:

Reduction in operating hours - savings would depend on # of hours reduced

### Police:

Pal Program	36,000
Public Relations	3,540
Additional Training	36,000





# General Fund

## Potential Savings Fiscal Year 2018-19

### Economic Development:

Chamber Contribution	12,500
Tulare Historical Society	12,500
Contribution to Economic Incentive Fund	25,000

### Public Works:

Graffiti - less CDBG contribution	68,660
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### Fire:

State Mandate Fire Inspections Fees*	40,760
Fire Code Inspection Fees*	144,300
Reinspection Fees*	154,780
Burn Regulation Enforcement Fees*	4,720
False Alarm Fees (after 3 per year)*	1,320

Reconsideration of Equipment for Police & Fire	509,200
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Furlough Day	77,300
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Hiring Freeze

Additional Sales Tax Initiate 1/2% (\$5,000,000+)

\* Currently not charging



## At Council Request Fleet Replacement Funds 2018-19

- \$350,000; 4 Additional PD Patrol Cars for a total of 7 for the year. All uniformed patrols will be in Explorer vehicles.
- \$250,000 for Fire that will combine with existing fund balances for engine replacement of \$650,000.
- \$50,000 Additional General Fund to Purchase Streets Paver for \$110,000, balance from reserves.
- Impact to previous General Fund request is an additional \$500,000



# Recommended City Vehicle and Equipment Replacement

Projected / Requested 2018/2019			
Replacement Vehicles and Equipment			
Department	Fund	Quantity	2018/2019
Parks Replacement for 400 - 425	General Fund	2	\$75,000.00
Police Patrol	Police	3	\$150,000.00
Waste Water Replacement for 918	Wastewater Sewer	1	\$75,000.00
Waste Water Forklift Replace 949 CIP	Wastewater Sewer	1	\$55,000.00
Engineering Truck (expansion / replacement)	Development Services	1	\$35,000.00
Planning / Bldg. Inspector (expansion / replacement)	Development Services	1	\$35,000.00
Loader Replacement 516 CIP	Solid Waste	1	\$275,000.00
Front Loaders Replacement for 5580 /5598	Solid Waste	2	\$650,000.00
Water Backhoe Replaces 611 CIP	Water	1	\$145,000.00
Water Replacement for 608	Water	1	\$50,000.00
Water Replacement for 607	Water	1	\$45,000.00
	<b>TOTAL REPLACEMENT</b>	<b>15</b>	<b>\$1,590,000.00</b>



# Recommended City Vehicle and Equipment Replacement

Department	Fund	Quantity	2018/2019
Parks Replacement for 400 - 425	General Fund	2	\$75,000.00
Police Patrol	Police	7	\$350,000.00
Streets Paver	General Fund	1	\$110,000.00
Waste Water Replace 0918 1 ton	Wastewater Sewer	1	\$75,000.00
Waste Water Forklift Replace 949 CIP	Wastewater Sewer	1	\$55,000.00
Engineering Truck (expansion / replacement)	Development Services	1	\$35,000.00
Planning / Bldg. Inspector , Project Manager	Development Services	2	\$70,000.00
Loader Replacement 516 CIP	Solid Waste	1	\$275,000.00
Front loaders replacement 5580 /5598	Solid Waste	2	\$650,000.00
Water Backhoe replaces 611 CIP	Water	1	\$145,000.00
Water Replacement 608	Water	1	\$50,000.00
Water Replacement 607	Water	1	\$45,000.00
Fire Engine	Fire	1	\$650,000.00
	TOTAL REPLACEMENT	22	<b>\$2,585,000.00</b>



# Fleet Control Budget (FCB) Projected Balances

<b>Fleet Reserves</b>	<b>Estimated Reserve 7/1/2018</b>	<b>Projected 2018 / 2019 Expenditures</b>	<b>Projected Insurance Premium</b>	<b>Projected 2018 / 2019 Revenue</b>	<b>Estimated Reserve 7/1/2019</b>
General Fund	510,666	75,000	6,264	19,800	449,202
Police	21,245	150,000	13,410	150,000	7,835
Fire	242,997	-	17,477	-	225,520
Development Services	187,751	70,000	764	36,000	152,987
Water	394,276	240,000	2,235	177,600	329,641
Solid Waste	2,742,692	925,000	36,077	907,656	2,689,271
Wastewater	234,304	130,000	4,774	175,000	274,530
<b>General Funds</b>	<b>774,908</b>	<b>225,000</b>	<b>37,150</b>	<b>169,800</b>	<b>682,557</b>
<b>Enterprise Funds</b>	<b>3,559,022</b>	<b>1,365,000</b>	<b>43,850</b>	<b>1,296,256</b>	<b>3,446,429</b>
<b>Total</b>	<b>4,333,930</b>	<b>1,590,000</b>		<b>1,466,056</b>	<b>4,128,986</b>
<b>Replacement Vehicles</b>		<b>1,590,000</b>	<b>81,000</b>		



# Fleet Control Budget (FCB)

## Projected Balances

	<b>Estimated Reserve 7/1/2018</b>	<b>Projected 2018 / 2019 Expenditures</b>	<b>Projected Insurance Premium</b>	<b>Projected 2018 / 2019 Revenue</b>	<b>Estimated Reserve 7/1/2019</b>
<b>Fleet Reserves</b>					
General Fund	510,666	185,000	6,264	69,800	389,202
Police	21,245	350,000	13,410	350,000	7,835
Fire / Fire Apparatus *	265,110*	650,000	17,477	500,000*	97,633
Development Services	187,751	105,000	764	36,000	117,987
Water	394,276	240,000	2,235	177,600	329,641
Solid Waste	2,742,692	925,000	36,077	907,656	2,689,271
Wastewater	234,304	130,000	4,774	175,000	274,530
<b>General Funds</b>	<b>797,021</b>	<b>1,185,000</b>	<b>37,150</b>	<b>919,800</b>	<b>494,671</b>
<b>Enterprise Funds</b>	<b>3,559,022</b>	<b>1,400,000</b>	<b>43,850</b>	<b>1,296,256</b>	<b>3,411,429</b>
<b>Total</b>	<b>4,356,043</b>	<b>2,585,000</b>		<b>2,216,056</b>	<b>3,906,099</b>
* Combined Totals			<b>Insurance Premium</b>		
<b>Replacement Vehicles</b>		<b>2,585,000</b>	<b>81,000</b>		



# Next Steps

- Provide further direction
- May 15, 2018: Set public hearing for June 19, 2018 to adopt budget
- June 19, 2018: Adopt Fiscal Year 2018-19 budget